

MARY ANN SMITH  
Deputy Commissioner  
SEAN ROONEY  
Assistant Chief Counsel  
UCHE L. ENENWALI (State Bar No. 235832)  
Senior Counsel  
Department of Business Oversight  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013-2344  
Telephone: (213) 576-7586  
Facsimile: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:

THE COMMISSIONER OF BUSINESS  
OVERSIGHT,

Complainant,

v.

LEVEL ONE ESCROW, INC.

Respondent.

ESCROW LICENSE NO.: 96DBO-36059  
STATEMENT OF FACTS IN SUPPORT OF  
ORDER TO DISCONTINUE VIOLATIONS  
PURSUANT TO FINANCIAL CODE  
SECTION 17602 AND NOTICE OF INTENT  
TO MAKE ORDER FINAL

The Complainant, the Commissioner of The Department of Business Oversight  
("Commissioner"), is informed and believes and based upon such information and belief, alleges and  
charges as follows:

1. Level One Escrow, Inc. ("Level One Escrow") is an escrow agent with its main office  
located at 5740 Fleet Street, Suite #125, Carlsbad, California 92008. Level One Escrow holds an  
escrow license no. 96DBO-36059 issued by the Commissioner pursuant to the Escrow Law of the  
State of California (Financial Code section 17000 et seq.).

2. The Commissioner has jurisdiction over the licensing and regulation of escrow  
agents. Financial Code section 7405 (a) provides that "the business, accounts and records of every

1 person performing as an escrow agent are subject to inspection and examination by the  
2 Commissioner at any time without prior notice....” Financial Code section 17405 (c) states that  
3 “The commissioner shall conduct an examination of each licensed escrow agent as described in  
4 subdivision (a) as often as the commissioner deems necessary and appropriate....”

5 3. Pursuant to Financial Code section 17405 (d), “Notwithstanding subdivision (c), the  
6 commissioner may conduct an indoctrination or preliminary examination, or both, under this section  
7 of any new licensee within one year of the issuance of the license under this division, and an  
8 examination described in subdivision (a) within two years of the issuance of the license under this  
9 division.”

10 4. Under Financial Code section 17213.1. (a), an escrow agent may not remove its  
11 business from the premises or address shown on its license without the prior approval of the  
12 Commissioner. Any notice of any intended change of location must be provided to the  
13 Commissioner not less than 30 days prior to the date of the intended change of location. The  
14 Commissioner may waive the 30-day notice requirement when the move is necessitated by “fire,  
15 emergency, or other catastrophe.”

16 5. On or about May 8, 2015, Level One Escrow moved its business location from its  
17 licensed location at 5740 Fleet Street, Suite # 125, Carlsbad, California 92008 (“Carlsbad address”)  
18 to 1900 MacArthur Blvd, Suite # 300 Irvine, California 92612 (“Irvine address”), without first  
19 notifying the Commissioner.

20 6. On or about October 13, 2015, the Commissioner’s staff attempted to conduct a  
21 preliminary examination of Level One Escrow, Inc., at the Carlsbad office but could not locate  
22 “Suite #125.” The Commissioner’s staff then visited “Ticor Title Co.,” a company located in “Suite  
23 140,” at the Carlsbad address to ascertain the correct suite number for Level One Escrow. The  
24 receptionist at Ticor Title Co. told the Commissioner’s staff that “Suite #125” did not exist and in  
25 fact, that she had never heard of Level One Escrow. Thereafter, the Commissioner’s staff  
26 telephoned Level One Escrow’s vice president, Heidi Birenbaum-Cassel (“Cassel”) to obtain Level  
27 One’s current address. Cassel informed the Commissioner’s staff that Level One Escrow never  
28 operated out of the Carlsbad address. Cassel then requested that the preliminary examination be

1 conducted on October 14, 2015 at its affiliate entity, Fidelity National Title Company's address  
2 located also at the Irvine address.

3 7. On October 14, 2015, the Commissioner's staff met with Cassel at the Irvine address  
4 to start the preliminary examination. During that meeting, Cassel informed the Commissioner's staff  
5 that Level One Escrow had not started operations or opened any escrows. Cassel stated that "Suite  
6 125" listed as Level One Escrow's address did not exist. Cassel stated that Level One Escrow  
7 intended to partition Ticor Title Co.'s office located in "Suite 140" at the Carlsbad address to create  
8 an office with "Suite 125" out of which Level One Escrow would operate. Cassel claimed that at  
9 Ticor Title Co.'s staff were not aware of the plans to partition Ticor Title Co. to create a "Suite 125"  
10 for Level One Escrow.

11 8. Following Cassel's meeting with the Commissioner's staff on October 14, 2015,  
12 Level One Escrow sent a letter to the Commissioner dated October 14, 2015 notifying the  
13 Commissioner of the change of its address from the Carlsbad address to the Irvine address.

14 9. Financial Code section 17213.1 (a) provides in relevant part:

15 An escrow agent's business shall not be removed from the premises or  
16 address shown on the license without the prior approval of the  
17 commissioner, and notice of any intended change shall be transmitted to  
18 the commissioner not less than 30 days prior to the date of the intended  
19 change of location; provided, however, that the commissioner may waive  
the 30-day notice requirement when the move is occasioned by fire,  
emergency, or other catastrophe....

20 10. Financial Code section 17602 states in pertinent part:

21 If it appears to the commissioner that any licensed escrow agent has  
22 violated its articles of incorporation, or any law or rule binding upon it, the  
23 commissioner shall, by written order addressed to the agent direct the  
24 discontinuance of such violation. The order shall be effective immediately,  
but shall not become final except in accordance with the provisions of  
Section 17604.

25 Financial Code section 17604 provides in relevant part:

26 No order issued pursuant to Sections 17602 or 17603 may become final  
27 except after notice to any licensed escrow agent affected thereby of the  
28 intention of the commissioner to make such order final and of the reasons  
therefor and that upon receipt of a request the matter will be set down for  
hearing to commence within 15 business days after such receipt unless the

1 licensed agent affected consents to a later date. If no hearing is requested  
2 within 30 days after the mailing of such notice and none is ordered by the  
3 commissioner, the order may become final without hearing and the  
4 licensed escrow agent shall immediately discontinue the practices named  
5 in the order. If a hearing is requested or ordered, it shall be held in  
6 accordance with the provisions of the Administrative Procedure Act,  
7 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of  
8 Title 2 of the Government Code, and the commissioner shall have all of  
9 the powers granted thereunder. If upon the hearing, it appears to the  
commissioner that the licensed agent is conducting business in an unsafe  
and injurious manner or is violating its articles of incorporation or any law  
of this state, or any rule binding upon it, the commissioner shall make the  
order of discontinuance final and the licensed escrow agent shall  
immediately discontinue the practices named in the order.

10 11. The records maintained by the Department show that Level One Escrow removed its  
11 business from the premises or address shown on its license without the prior approval of the  
12 Commissioner. The change of location was not necessitated by "fire, emergency, or other  
13 catastrophe." Level One Escrow failed to give at least 30 days' notice prior to the date of the  
14 intended change of its location. At least 159 days elapsed from May 8, 2015 when Level One  
15 Escrow changed its location without notice to the Commissioner, to October 14, 2105 when it gave  
16 the required notice.

17 By reason of the foregoing, Level One Escrow, Inc. has violated Financial Code section  
18 17213.1 (a) by removing its business from the premises or address shown on its license without first  
19 obtaining approval from the Commissioner.

20 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby  
21 ORDERED under the provisions of Financial Code sections 17602 and 17604, that Level One  
22 Escrow, Inc. immediately discontinue the violations set forth above. Pursuant to Financial Code  
23 section 17604, the Commissioner of Business Oversight hereby notifies Level One Escrow, Inc. of  
24 her intention to make the Order final.

25 Dated: May 11, 2016  
26 Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

27 By \_\_\_\_\_  
28 UCHE L. ENENWALI  
Senior Counsel  
Enforcement Division